

connect

with your financial future™



fall 2004



a lifelong journey

a message from Jeffrey Lagarce,
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Tax-Exempt Services Company*

Daily life barely leaves time to think about immediate financial priorities, never mind longer-term goals, like saving for retirement. That's why it's never too early to begin planning for tomorrow, which also means managing your finances effectively today. Take some time to read about the new face of retirement and related topics, including helpful tips for your near-term needs. In addition, learn about the exciting redesign of our online account management tool, NetBenefitsSM. This redesign reflects your input and ideas and will make it easier than ever to manage your account and plan for a healthier financial future.

**We've
redesigned
NetBenefitsSM.
See page 4
for details!**

connect
with us

Are we *connecting* with you? This is your newsletter, and we want to be sure you get something out of it. Just fill in a short survey at www.fidelity.com/atwork/connect.

what will **your future** look like?

Scientific breakthroughs, better medical care, nutrition know-how—they're all helping people live longer, healthier lives. In turn, longer life spans are changing the way many of us think about the future, including retirement and other financial goals.

Retirement Redefined

Average life expectancy today is 77 years—an all-time high.¹ Some experts think that as life spans grow, traditional "life stages"—education, work, retirement—will also change.

For example, many people say they plan to work during retirement—or "reirement"—not just for income, but for satisfaction. As a result, effective retirement planning may involve saving money as well as broader life planning.

Balancing Tomorrow With Today

Since many of us already feel financially stretched, long-term goals may compete with short-term goals. Read on to find tips and resources to help you plan for a more financially fit tomorrow and beyond.

¹Source: National Center for Health Statistics, 2003.



tools to help **shape** your future

- **Estimate Social Security benefits.** For an idea of how much you can expect from Social Security, review your Social Security Statement, a personal record of earnings on which you've paid Social Security taxes during your working years and a summary of the estimated benefits you may receive as a result. Statements are sent annually to workers aged 25 and older. You can also request one by visiting www.ssa.gov or calling 1-800-772-1213.¹
- **See if you could save more.** The Fidelity Contribution Calculator at www.fidelity.com/atwork helps you see how additional contributions could potentially grow over time. In addition, you may want to take advantage of the Take-Home Pay Calculator to learn how extra pretax contributions might affect your take-home pay. It's easy to increase your retirement savings plan contributions at any time. Just log in to NetBenefitsSM at www.fidelity.com/atwork or call 1-800-343-0860 and speak with a Fidelity Retirement Services Specialist.

Finally, consider taking the Retirement Income Planner at NetBenefits for a test drive. You can read more about this powerful tool on the next page.

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opportunities ahead: tips for **tomorrow's goals**

With retirement potentially lasting 20 to 30 years or more and differing from one person to the next, planning for this goal can be a challenge. The following pointers may help you begin to bring your vision of retirement into focus today, even if it's still years away.

- First, make the most of your retirement savings plan today to help plan for a more secure tomorrow. The 60-Second Retirement ChallengeSM at www.fidelity.com/atwork/challenge is a great place to start. It can help you evaluate your contribution rate, uncover additional savings opportunities, and much more.
- Next, evaluate the lifestyle you would like to achieve in retirement. Do you picture yourself playing with your grandchildren, rebuilding antique cars, or starting a small business?
- Finally, estimate the expenses associated with your anticipated retirement lifestyle. You may want to use your current expenses as a starting point, dividing them into two categories: fixed costs that you can't control (mortgage, insurance) and nonessential items you can (recreation, clothing). Which expenses do you think might rise when you retire and which might decline? The "How Will Retirement Affect My Expenses" calculator at www.asec.org (click "Savings Tools," then go to Retirement Calculators under "Financial Planning Calculators") or the Retirement Income Planner on NetBenefitsSM may help.¹

These are just a few things to consider today to better prepare you for tomorrow. The box on the left offers other handy tools and resources to help you plan for your future.

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taking control of the **here** and **now**

While participating in your workplace savings plan helps you prepare for retirement, you'd probably also like to plan for life's more immediate financial needs and goals. Here's a look at a few that may be important to you.

1 College—Next to retirement, saving for a child's education (or even your own, if you'd like to go back to school) may be your biggest challenge. The College Planner at www.fidelity.com/atwork (under Tools & Calculators) can help you estimate the cost of college and your savings needs. Keep in mind that many families qualify for financial aid. In addition, there are investment vehicles created specifically for college savings that may offer certain tax advantages, including Coverdell Education Savings Accounts and 529 college savings plans. The College Planner will also give you information about these and other college savings options.

¹Fidelity is not affiliated with bankrate.com. Fidelity has not been involved in the preparation of the content at this site and does not guarantee or assume any responsibility for its content.

2 Debt—Although interest rates have started to increase from the historically low levels of recent years, there may still be opportunities to reduce the cost of debt—by refinancing a loan or transferring a credit card balance to another card charging a lower interest rate, for example. Doing so may help you free up money you can set aside for short-term or long-term needs. You can compare credit cards at www.bankrate.com, as well as learn more about managing debt in the Credit Management section.¹

3 Estate Planning—Have you, like many people, been meaning to create a will for years? Now may be the time. Once you create a will, be sure to review it each year. Also, you may want to review the beneficiary designations (names of individuals you've chosen to receive any benefits or assets in the event of your passing) on your financial accounts. You may occasionally need to update them after a life event, such as a marriage, for example. To learn more, go to the Estate Planning Action Center at www.fidelity.com/atwork. You'll find it under Planning Calculators.

INCOME PLANNING POINTERS

stretching your savings through retirement

Increasing longevity means more time to make the most of life. But it can also pose a potential financial challenge: the possibility that you'll outlive your nest egg during what could be a long retirement.

Setting aside as much money as you can afford during your working years and investing that money properly may help reduce "longevity risk." Managing your assets wisely during retirement will be important too. That may include continuing to pursue some growth potential with your investments, depending on your risk tolerance. It may also mean thinking through how much you can withdraw from savings each year without running out of money.

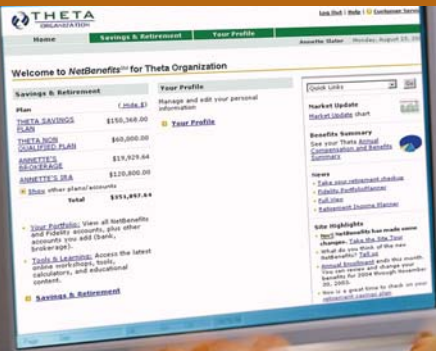
The Retirement Income Planner at the newly redesigned NetBenefitsSM is a comprehensive tool designed to help you prepare for precisely these types of issues.¹ You can use it to experiment with "what if" scenarios—like how long your nest egg might potentially last based on your various sources

of income, your investment strategy, and your anticipated withdrawal rate. Even if retirement is still a distant goal, the Retirement Income Planner's Quick Check feature can give you a snapshot of your current savings situation to potentially help reduce the risk of outliving your money later on.

To learn more about longevity risk and other retirement savings issues, you can also call **1-800-887-4015** to speak with a Fidelity Retirement Services Specialist.

¹The Retirement Income Planner tool is a service of the following Fidelity entities:

- Strategic Advisers, Inc., a registered investment adviser.
- Fidelity Brokerages Services, Member NYSE, SIPC and a broker-dealer offering retail brokerage products and services and the FundsNetwork program; 100 Summer Street, Boston, MA 02110.
- Fidelity Investments Institutional Services Company, Inc., a broker-dealer offering institutional products and services; 82 Devonshire Street, Boston, MA 02109.



RETIREMENT RESOURCES

NetBenefitsSM is better than ever

Discover an easier way to manage your accounts and plan for the most important retirement goal—yours. Log in today and you will find:

- A fresh layout with easy-to-understand language
- Consolidated retirement features: Information found in the Accounts tab and Planning tab will now be located in the Savings & Retirement tab.
- Enhanced resources, including Retirement Income Planner, a tool to help you answer the question “Could I have enough to retire?”
- Investment research and analysis tools that can help you evaluate your situation and make decisions with greater confidence
- At-a-glance graphical views of your retirement portfolio
- Simplified access to screens that allow you to move money between investments or change the way your payroll deductions are invested

Seeing is believing, so go to www.fidelity.com/atwork, select “Access My Account” and log in to NetBenefits today. Find out for yourself how it has changed for the better.

MONEY TALKS

“There isn’t a part of our lives that money doesn’t touch—it affects our relationships, the way we go about our everyday activities, our ability to make dreams reality, everything.”

— Suze Orman, personal finance author

ASK US

could your
workplace savings plan
work harder for you?

I’d like to contribute more to my retirement account each month, but I’m worried that will reduce my pay too much. How can I find out how much more I can afford?

You can use the Take-Home Pay Calculator at www.fidelity.com/atwork to find the answer (under Tools & Calculators). Because your contribution will be made with pretax dollars, the reduction may not take as big a bite out of your pay as you’d think. Keep in mind though that you’ll pay income taxes when you withdraw the money.

I still have a balance in a workplace savings plan from a previous employer. What should I do with this money?

This is an important decision that could greatly impact your future financial security. You’ve worked hard to accumulate these assets, and have several options available to you. You may consider rolling them over to your new employer’s plan (some limits may apply) or another flexible, tax-advantaged investment vehicle, such as an IRA. To find out more about these or other options, call Fidelity at **1-800-343-0860** today.

Before investing in any investment option, please carefully consider the investment objectives, risks, charges, and expenses. For this and other information, call Fidelity at 1-800-343-0860 or visit www.fidelity.com for a free mutual fund or variable annuity prospectus. Read it carefully before you invest. Please also contact Fidelity for a fixed annuity fact sheet.

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